

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Extends Food Industry Tip Reporting Program

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WASHINGTON — The Internal Revenue Service today extended for an additional two years its program that simplifies the recordkeeping burden for reporting tip income in the food and beverage industry.

The Attributed Tip Income Program (ATIP) was first announced in 2006 in [Revenue Procedure 2006-30](#). The program, which was originally set to expire Dec. 31, 2009, has been extended to Dec. 31, 2011, under Revenue Procedure 2009-53 issued today.

Employers who participate in ATIP report the tip income of employees based on a formula that uses a percentage of gross receipts, which are generally allocated among employees based on the practices of the restaurant.

Both employees and employers benefit from participation in the ATIP program. The IRS will not initiate a tip examination during the period the employer and employee participate in ATIP. Participating employees do not have to keep a daily tip log or other tip records.

Enrollment is simple. Employers elect participation in ATIP by checking the designated box on [Form 8027](#), Employer's Annual Information Return of Tip Income and Allocated Tips. Employees who work for a participating employer can easily elect to participate in ATIP by signing an agreement with their employer to have their tip income computed under the program and reported as wages.

Form 8027 is available on IRS.gov, or by calling the IRS toll-free at 1-800-TAX-FORM (829-3676).